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CHESAPEAKE ENERGY CORP. ATTN: RECORDING TEAM P.O. Box 18496 Oklahoma City, OK 73154

Submitter: Chesapeake Operating, Inc.

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NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE any or all of the following information from any instrument that transfers an interest IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) - Paid Up With 640 Acres Pooling Provisio

PAID UP OIL AND GAS LEASE

(No Surface Use)

THIS LEASE AGREEMENT is made this 21 day of	Auran 8/18 by and between Stephen D. H. 11 + MACH K. H. 11
1,7	3653 San Pama Clotina
	ited liability company, P.O. Box 18496, Oklahoma City, Oklahoma 73134-0496, as Essee. All political portions of
And CHESAFEAKE EXPLORATION, L.L.C., an Oklahoma limit	ited liability company, P.O. Box 18496, Oktailonia City, Oktailonia 13134-0460, as Lessee, Fit printed positions of
this lease were prepared by the party hereinabove named as L	essee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and
Leasee.	the section of the se

Texas, being more particularly described by metes and bounds in that certain warmly flux will an in [1] 1/169 Volume 9762, Page 576, of the Deck Records, offscent County, Texas;

more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described remises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of five (5) years from the date hereof, and for as long thereafter as off or gas or other substances covered hereofy are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in

- 2. This lease, which is a "paint" bease tradition in the leased years or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in getical pursuant to the provisions hereof.

 3. Royalities on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor's ceptit at the oil purchase such production at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field in which there is such a prevailing price) for production of similar quality in the same field or if there is no such price and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be twenty percent (20%) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad vatorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing price production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entaned into on the same or nearest preceding date as the date on which Lessee onteneous its purchase contracts entaned into on the same or nearest preceding date as the date on which Lessee on the capable of production in paying quantities, but such well or wells are either shut-in or production therefrom is n
- 4. All shut-in royally payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in <u>at lessor's address above</u> or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the lest address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive navyments.
- payments.

 5. If Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this tease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operation would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities hereunder, the leased premises from uncompensated formations then capable of producing in paying quantities on the leased premises or lands pooled therewith as a reasonably prudent operation would drill under the same or similar circumstances to (a) d
- drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drift exploratory wells or any additional wells except as expressly provided herein.

 3. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all explorations are all to the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop-or operates the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The not proper to do so in order to prudently develop-or operates the leased premises whether or not similar pooling authority exists with respect to such other lands or interests. The not horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%, provided that a larger unit may be formed for an oil well or all owell or pass well or horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%, provided that a larger unit may be formed for an oil well or shall not exceed 640 acres plus a maximum acreage tolerance of 10%, provided that a larger unit may be formed for an oil well or the interest in the same provided that a larger unit may be formed for an oil well or the proper to do the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed or permitted by any governmental authority, having jurisdiction to do so. For the purpose of the foresoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so the feel of more per barrel, based on 24-hour production that may be prescribed by applicable law or the appropriate governmental authority in interest in a larger permitted by a production interval in a facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which

of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days ownership shall be binding on Lessee until 60 days ownership shall be binding on Lessee until 60 days ownership shall be binding on Lessee until 60 days ownership shall be binding o

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persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which sech owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall not either in the right of Lessee with respect to any interest not so formation of tables of the standard of length of Lessee with respect to any interest not so formation. If Lessee transfers is the length system of the part o

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's s, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

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<u> </u>	ACKNOWLED	CMENT		•	
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		Notary Public, State Notary's name (prin	e of Texas rted);		RBARA VAN POSTMAN
· · · · · · · · · · · · · · · · · · ·	ACKNOWLED	Notary's commission	on expires:		RBARA VAN POSTMAN Notary Public STATE OF TEXAS
STATE OF TEXAS COUNTY OF		20	. bv	NV NV	Comm. Exp. 09/24/201
This instrument was acknowledged before	e me on theaay or	, 20_		-	Annania ananana ananan
MARY R. Hill		Notary Public, Stat Notary's name (pri Notary's commissi	nted):		
	CORPORATE ACKN	OWLEDGMENT		•	
STATE OF TEXAS COUNTY OF This instrument was acknowledged before	re me on the day of corporation, on behalf of s	aid corporation	, 20	, by	0
В	COTPORAGON, OTTOGRAM	Notary Public, Sta Notary's name (pr Notary's commiss	inted):		
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ByClerk (or Deputy)					

persons are antified to shuk-in royalities hereunder. Lessee may pay or lander such shok-in royalities to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereafter in whole or in part Lessee shall be relieved of all obligations thereafter the state of the proportion of the part of the part

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's a devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor. ACKNOWLEDGMENT mary Rudelle Hill STATE OF TEXA COUNTY OF . BARBARA VAN POSTMAN KNAY PUR **Notary Public** STATE OF TEXAS ACKNOWLEDGMENT STATE OF TEXAS My Comm. Exp. 09/24/2011 COUNTY OF 20 day of This instrument was acknowledged before me on the Notary Public, State of Texas Notary's name (printed): Notary's commission expires; Record & Return to: CORPORATE ACKNOWLEDGMENT Chesapeake Operating, Inc. STATE OF TEXAS 20 P @ Box 18496 COUNTY OF Oklahoma City, UK This instrument was acknowledged before me on the corporation, on behalf of said corporation. Notary Public, State of Texas Notary's name (printed): Notary's commission expires: RECORDING INFORMATION STATE OF TEXAS M., and duly recorded in This instrument was filed for record on the

records of this office.

, of the

Clerk (or Deputy)

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By_